



Date: October 13, 2017

**Quarterly Report of the Peoples Gas Light and Coke Company and the North Shore Gas Company
*Program Year 6, 5th Quarter Qualitative Report, June 2017 - August 2017***

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 6 (PY6), Fifth Quarter (5Q) qualitative report accompanying the PY6, Q5 quantitative report which details program results from a savings and cost perspective.

By utility and each of the five programs in the portfolio, as well as bridge period programs (Public Sector, Income Eligible, and Market Transformation) the following is summarized:

- a. Program activities
- b. Implementation modifications
- c. Additions or discontinuations of specific measures or services
- d. Changes due to EM&V Input, TRM changes, NTG changes, or market research findings, and
- e. TRC screening results for new measures added.

The Peoples Gas Light and Coke Company (PGL) program highlights begin on Page 2; North Shore Gas Company (NSG) program highlights begin on Page 8.

Peoples Gas

Portfolio Performance Overview

- At the end of the fifth quarter, the Peoples Gas Natural Gas Savings Programs have achieved 58% realized savings, utilizing 69% of the budget, per the updated PY6+ filed budget and savings in the Joint Verified Petition. All programs are proceeding as forecast, and per the final orders in Docket Nos. 13-0550 and 17-0212. Due to overperformance in PY4 and PY5, the Peoples Gas portfolio is on track to achieve the revised compliance filing triennial goals.
- Much of the focus of this quarter was the smooth integration of former DCEO programs into the portfolio, including Residential Income Income Eligible, Multi-Family Income Eligible, Public Housing, the suite of Public Sector Programs, and Market Transformation

1. Residential Programs

a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 64% of the savings goal through Q5 using 71% of the budget.
- Home Energy Rebate savings make up 62% of Residential Program realized savings.

b. Implementation Modifications

- None in Q5

c. Addition or Discontinuation of Specific Measures or Services

- None in Q5

d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None in Q5

e. For New Measures Added, TRC Screening Results

- None in Q5

2. Multi-Family Programs

a. Program Activities

- The PGL Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) delivered strong results through Q5, realizing 78% of the savings goal and utilizing 77% of the budget while building a strong pipeline for the remainder of the program year.
- 60% of realized savings have been generated through our Partner Trade Ally Program.

- Steam traps and steam pipe insulation are the top performing measures for Multi-Family customers.
- b. Implementation Modifications
 - None in Q5
- c. Addition or Discontinuation of Specific Measures or Services
 - None in Q5
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q5
- e. For New Measures Added, TRC Screening Results
 - None in Q5

3. Residential Outreach and Education Programs

- a. Program Activities
 - Home Energy Reports were sent throughout the winter with results beginning to come in. Plans are underway for the fall mailing, estimated November 2017, to reach 47,600 households.
 - The Elementary Education Program served 200 schools and 13,366 households. 40% of student surveys have been received.
- b. Implementation Modifications
 - None in Q5
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q5
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q5
- e. For new measures added, TRC screening results
 - None in Q5

4. Business Programs

- a. Program Activities

- The PGL Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, and Gas Optimization) achieved 62% realized savings through Q5 using 56% of the budget.
- b. Implementation Modifications
- None in Q5
- c. Additions or Discontinuation of Specific Measures or Services
- The following laminar flow faucet restrictors were added to the DI measures available to customers in the Business Program.
 - 0.5 GPM
 - 1.0 GPM
 - 1.5 GPM
- d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings
- None during Q5
- e. For New Measures Added, TRC Screening Results
- Laminar flow faucet restrictors:
 - 0.5 GPM – 22.92
 - 1.0 GPM – 18.78
 - 1.5 GPM – 14.64

5. Small Business Programs

- a. Program Activities
- The PGL Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 77% realized savings in Q5 using 84% of the budget.
- b. Implementation Modifications
- None during Q5
- c. Additions or Discontinuation of Specific Measures or Services
- None during Q5
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
- None during Q5
- e. For new measures added, TRC screening results

- None during Q5

6. Public Sector

a. Program Activities

- The bridge period PGL Public Sector Programs (Assessments, Prescriptive and Custom) has 0 realized therms through Q5.

b. Implementation Modifications

- Launched the Public Sector Program on June 1, 2017, including free assessments, and prescriptive and custom incentives.

c. Additions or Discontinuation of Specific Measures or Services

- For the Public Sector Programs, the following measures, not previously offered through the prescriptive rebate program include:
 - Very Small pipe size was added to Pipe Insulation, Fitting Insulation, and Valve Insulation (< 1 inch)
 - Large pipe size for Pipe Insulation, Fitting Insulation and Valve Insulation was split into Large (5.1 to 8 inch) and X-Large (>8 inch)
 - Low Temperature, under counter, Commercial Dishwasher
 - Added five High Temperature Commercial Dishwashers
 1. Under Counter
 2. Stationary Single Tank Door
 3. Single Tank Conveyor
 4. Multiple Tank Conveyor
 5. Pot, Pan, and Utensil
 - Steamer measure was split into four measures
 1. Steamer – 3 Pan
 2. Steamer – 4 Pan
 3. Steamer – 5 Pan
 4. Steamer – 6 Pan

d. Changes due to EM&V Input, IL TRM changes, NTG change, market

- NTG for public programs will be evaluated at the end of PY6

e. For new measures added, TRC screening results

- Very Small Pipe Insulation (< 1 inch) – 0.69
- Very Small Fitting Insulation (< 1 inch) – 0.18
- Very Small Valve Insulation (< 1 inch) – 0.82
- Large Pipe Insulation (5.1- 8 inch) – 7.23
- Large Fitting Insulation (5.1- 8 inch) – 10.55

- Large Valve Insulation (5.1- 8 inch) – 5.48
- X-Large Pipe Insulation (> 8 inch) – 7.52
- X-Large Fitting Insulation (> 8 inch) – 12.11
- X-Large Valve Insulation (> 8 inch) – 5.58
- Low Temperature, under counter, Commercial Dishwasher – 3.42
- Five High Temperature Commercial Dishwashers
 1. Under Counter – 1.45
 2. Stationary Single Tank Door – 2.01
 3. Single Tank Conveyor – 0.55
 4. Multiple Tank Conveyor – 4.43
 5. Pot, Pan, and Utensil – 0.20
- Steamer measure was split into four measures
 1. Steamer – 3 Pan – 5.04
 2. Steamer – 4 Pan – 5.07
 3. Steamer – 5 Pan – 5.03
 4. Steamer – 6 Pan – 5.04
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7. Income Eligible

- a. Program Activities
 - Income Eligible programs achieved 126,577 realized therms and spent \$425,326.
 - The Chicago Bungalow Association Program has ramped up to full production for Single Family Weatherization, completing 15-20 Weatherization projects per week.
- b. Implementation Modifications
 - Incorporated all DCEO vendors into portfolio program implementation.
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q5
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - None in Q5
- e. For new measures added, TRC screening results
 - None in Q5

8. Market Transformation

a. Program Activities

- All bridge period Market Transformation programs launched during PY6 Q5.

b. Implementation Modifications

- Incorporated former DCEO vendors and programs into portfolio program implementation.

c. Additions or Discontinuation of Specific Measures or Services

- N/A

d. Changes due to EM&V Input, IL TRM changes, NTG change, market

- N/A

e. For new measures added, TRC screening results

- N/A

North Shore Gas

Portfolio Overview

- At the end of the fifth quarter, the North Shore Gas Natural Gas Savings Programs have achieved 41% realized savings, utilizing 78% of the budget, per the updated PY6+ filed budget and savings in the Joint Verified Petition. All programs are proceeding as forecast, and per the final orders in Docket Nos. 13-0550 and 17-0212. Due to overperformance in PY4 and PY5, the North Shore Gas portfolio is on track to achieve the revised compliance filing triennial goals.
- Much of the focus of this quarter was the smooth integration of former DCEO programs into the portfolio, including Residential Income Income Eligible, Multi-Family Income Eligible, Public Housing, the suite of Public Sector Programs, and Market Transformation

1. Residential Programs

a. Program Activities

- The NSG Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 224% of the Q5 savings goal using 120% of the budget with Home Energy Rebates achieving 88% of Residential Program savings.

b. Implementation Modifications

- None in Q5

c. Addition or Discontinuation of Specific Measures or Services

- None in Q5

d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None in Q5

e. For New Measures Added, TRC Screening Results

- None in Q5

2. Multi-Family Programs

a. Program Activities

- The NSG Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) achieved 6% of the savings goal through Q5 and utilized 44% of the budget.
- The majority of the realized savings (58%) achieved in this path were delivered through the Jumpstart (DI) program.

- b. Implementation Modifications
 - None in Q5
- c. Addition or Discontinuation of Specific Measures or Services
 - None in Q5
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research findings
 - None in Q5
- e. For New Measures Added, TRC Screening Results
 - None in Q5

3. Residential Outreach and Education Programs

- a. Program Activities
 - Home Energy Reports were sent throughout the winter with results beginning to come in. Plans are underway for the fall mailing, estimated November 2017, to reach 55,000 households.
 - The Elementary Education Program served more than 50 schools and 3,728 households. 39% of student surveys have been received.
- b. Implementation Modifications
 - None in Q5
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q5
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q5
- e. For New Measures Added, TRC Screening Results
 - None in Q5

4. Business Programs

a. Program Activities

- The NSG Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, and Gas Optimization) achieved 17% realized savings through Q5 using 49% of the budget.

b. Implementation Modifications

- None in Q5

c. Additions or Discontinuation of Specific Measures or Services

- Hospital sink restrictors have been added to the DI measures available to customers in the Business Program.

d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings

- None during Q5

e. For New Measures Added, TRC Screening Results

- None during Q5

5. Small Business Program

a. Program Activities

- The NSG Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 145% realized savings in Q5 using 101% of the budget.

b. Implementation Modifications

- None during Q5

c. Additions or Discontinuation of Specific Measures or Services

- None during Q5

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q5

e. For new measures added, TRC screening results

- None during Q5

6. Public Sector

- a. Program Activities
 - The bridge period PGL Public Sector Programs (Assessments, Prescriptive and Custom) has 0 realized therms through Q5.

- b. Implementation Modifications
 - Launched the Public Sector Program on June 1, 2017, including free assessments, and prescriptive and custom incentives.

- c. Additions or Discontinuation of Specific Measures or Services
 - For the Public Sector Programs, the following measures, not previously offered through the prescriptive rebate program include:
 - Very Small pipe size was added to Pipe Insulation, Fitting Insulation, and Valve Insulation (< 1 inch)
 - Large pipe size for Pipe Insulation, Fitting Insulation and Valve Insulation was split into Large (5.1 to 8 inch) and X-Large (>8 inch)
 - Low Temperature, under counter, Commercial Dishwasher
 - Added five High Temperature Commercial Dishwashers
 6. Under Counter
 7. Stationary Single Tank Door
 8. Single Tank Conveyor
 9. Multiple Tank Conveyor
 10. Pot, Pan, and Utensil
 - Steamer measure was split into four measures
 5. Steamer – 3 Pan
 6. Steamer – 4 Pan
 7. Steamer – 5 Pan
 8. Steamer – 6 Pan

- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - NTG for public programs will be evaluated at the end of PY6

- e. For new measures added, TRC screening results
 - Very Small Pipe Insulation (< 1 inch) – 0.77
 - Very Small Fitting Insulation (< 1 inch) – 0.21
 - Very Small Valve Insulation (< 1 inch) – 0.91
 - Large Pipe Insulation (5.1- 8 inch) – 8.09
 - Large Fitting Insulation (5.1- 8 inch) – 11.80
 - Large Valve Insulation (5.1- 8 inch) – 6.13

- X-Large Pipe Insulation (> 8 inch) – 8.41
- X-Large Fitting Insulation (> 8 inch) – 13.55
- X-Large Valve Insulation (> 8 inch) – 6.24
- Low Temperature, under counter, Commercial Dishwasher – 3.83
- Five High Temperature Commercial Dishwashers
 6. Under Counter – 1.63
 7. Stationary Single Tank Door – 2.24
 8. Single Tank Conveyor – 0.62
 9. Multiple Tank Conveyor – 4.96
 10. Pot, Pan, and Utensil – 0.22
- Steamer measure was split into four measures
 5. Steamer – 3 Pan – 5.64
 6. Steamer – 4 Pan – 5.67
 7. Steamer – 5 Pan – 5.63
 8. Steamer – 6 Pan – 5.64

7. Income Eligible

- a. Program Activities
 - Income Eligible programs achieved incurred spending \$23,615 related to administrative activities and program support.
- b. Implementation Modifications
 - Incorporated all DCEO vendors into portfolio program implementation.
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q5
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - None in Q5
- e. For new measures added, TRC screening results
 - None in Q5

9. Market Transformation

- a. Program Activities
 - All bridge period Market Transformation programs launched during PY6 Q5.

- b. Implementation Modifications
 - Incorporated former DCEO vendors and programs into portfolio program implementation.

- c. Additions or Discontinuation of Specific Measures or Services
 - N/A

- d. Changes due to EM&V Input, IL TRM changes, NTG change, market
 - N/A

- e. For new measures added, TRC screening results
 - N/A